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STATE OF MONTANA

TWENTY-THIRD ANNUAL
REPORT

of the

INDUSTRIAL ACCIDENT BOARD

For The Twelve Months Ending

June 30, 1938

- SAFETY FIRST SEAL -

WORKMEN'S COMPENSATION ACT

In Effect July 1, 1915
as to Compensation
Provisions

MEMBERS OF THE BOARD

J. BURKE CLEMENTS, Chairman JOHN J. HOLMES, State Auditor
J. T. SPARLING, Commissioner
of Labor

ADMINISTERING:

WORKMEN'S COMPENSATION ACT
SAFETY INSPECTION LAWS
BOILER INSPECTION LAWS
STATIONARY ENGINEERS' LICENSE LAWS
QUARTZ MINE INSPECTION LAWS
COAL MINE INSPECTION LAWS

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L E T T E R O F T R A N S M I T T A L

January 4, 1939.

To his Excellency, Roy E. Ayers
Governor of the State of Montana

Dear Sir:

Pursuant to the mandate of the Compensation Laws of the State of Montana, we have the honor to transmit herewith our Twenty-third Annual Report covering the administration of the Workmen's Compensation Act by the Industrial Accident Board for the twelve months' period ending on June 30, 1938.

We have endeavored to place in our annual report the simple facts with reference to the activities of the Industrial Accident Board and the operation of the Industrial Accident Fund. The administration of the Industrial Accident Fund, or the operation of Plan Three, which is known as the state plan, is very significant. The number of accidents per year reported under the state plan has increased from 3,354 in 1930 to a total of 8,390 in 1937 and 7,465 in 1938. The disbursements under the state plan of workmen's compensation have increased from \$440,911.98 in 1930 to \$1,159,561.16 in 1938. It will be noted that the outgo and the payment of compensation under the state plan is more than twice as much in 1938 than it was in 1930.

An examination of the premium income as compared to the outgo for the nine year period, 1930 to 1938, shows that for the four year period from 1931 to 1934 the Industrial Accident Fund went into the red in the total of \$346,222.15.

This loss has all been recovered by increased premium payments and interest earned on investments owing to the improved conditions since 1934. It will be readily seen, however, that a return of depressed conditions such as Montana suffered in 1931-1934 would jeopardize the Industrial Accident Fund and make extremely uncertain the payment of compensation to the injured workmen entitled to the same.

Our reserve and accident fund now totals \$924,443.58. We believe this to be ample to take care of all our outstanding obligations of the present date, and would leave a cash balance of approximately \$100,000.00.

The operation of the Workmen's Compensation Act of Montana has not been entirely satisfactory; and this is due largely to the weakness of the law, or rather to its failure to express plainly the state's policy in the matter of what workmen or employees should actually be protected by the law and the correct benefits to be paid these employees.

It is imperative that the law be amended so that it may be made perfectly clear what the policy of the state shall be in the matter of the weekly wages. The practical operation has also convinced the Board that other amendments having to do with the operation of the department and payment of compensation should be made.

Respectfully submitted,

INDUSTRIAL ACCIDENT BOARD

J. Burke Clements

Chairman.

J. T. Sparling

Commissioner

John J. Holmes

Commissioner

INDUSTRIAL ACCIDENT
BOARD

FINANCIAL STATEMENT

- June 30, 1938 -

ASSETS:

C A S H F U N D S

| | | |
|--------------------------------------|------------------|----------------------|
| Industrial Accident Fund | \$ 12,944.03 | |
| Industrial Reserve Fund | <u>39,369.73</u> | |
| | 52,313.76 | |
| Less Warrants outstanding | <u>28,224.21</u> | |
| Total Cash in Banks | | \$ 24,089.55 |
| Accident Fund Investments | 41,693.18 | |
| Reserve Fund Investments | 805,410.97 | |
| Federal Housing Administration Loans | 39,592.39 | |
| Registered Warrants | <u>13,662.49</u> | |
| Total Investments | | <u>900,359.03</u> |
| Total Cash and Investments | | <u>\$ 924,448.58</u> |

LIABILITIES:

| | | |
|---------------------------|---------------------|-------------------|
| Premium Income | 9,113,710.36 | |
| Recoveries from Judgments | <u>23,075.22</u> | |
| | 9,136,785.58 | |
| Less Compensation Paid | <u>8,751,281.39</u> | |
| Net Premium Income | | 385,504.19 |
| Initial Deposits | | 101,579.16 |
| Special Deposits | | 7,187.84 |
| Interest Earned | | <u>430,177.39</u> |
| Total Income | | <u>924,448.58</u> |

In addition to the above, there is on deposit with the Treasurer of the Industrial Accident Board, United States Bonds in the amount of \$570,000.00, deposited by Insurance Companies to guarantee the fulfillment of their obligations under the Workmen's Compensation Act. Likewise, there is on deposit \$38,100.00, of Surety Bonds, filed by Contractors protecting the Board in the payment of premiums due.

STATISTICAL STATEMENT FOR TWENTY-THIRD YEAR PERIOD ENDING JUNE 30, 1938

| | PLAN I | PLAN II | PLAN III | ALL PLANS |
|--------------------------------------------------------------|------------------------|---------------------|---------------------|----------------------|
| Number of Fatal Accidents | 1,305 | 231 | 608 | 2,144 |
| Number Permanent Total Accidents | 55 | 22 | 49 | 126 |
| Number Permanent Partial Accidents | 1,528 | 549 | 1416 | 3,493 |
| Number Temporary Total Accidents | <u>53,129</u> | <u>39,447</u> | <u>62,511</u> | <u>160,087</u> |
| Total Number Accidents Reported | 61,017 | 40,249 | 64,584 | 165,850 |
| Number Accidents No Compensation Paid | 37,422 | 31,300 | 43,016 | 111,738 |
| Disbursed for Funeral Expense | 123,849.04 | 18,453.71 | 74,750.00 | 217,052.75 |
| Disbursed for Medical Expense | 86,414.29 | 695,934.71 | 1,423,995.15 | 2,206,344.15 |
| Disbursed for Hospital Expense | 31,686.80 | 147,745.08 | 500,394.16 | 679,826.04 |
| Disbursed for Fatal Accidents | 3,073,081.75 | 535,541.47 | 1,556,753.29 | 5,165,376.51 |
| Disbursed for Permanent Total Disability | 200,486.49 | 69,417.97 | 304,472.18 | 574,376.64 |
| Disbursed for Permanent Partial Disability | 1,104,726.70 | 255,088.55 | 2,093,284.62 | 3,453,059.87 |
| Disbursed for Temporary Total Disability | 4,767,173.28 | 1,216,278.57 | 2,714,192.92 | 8,697,644.77 |
| Disbursed for Temporary Partial Disability | ----- | ----- | 28,945.66 | 28,945.66 |
| Disbursed for Hearings, Proceedings and Medical Examinations | ----- | ----- | 53,130.00 | 53,130.00 |
| Total Compensation Paid | <u>\$ 9,387,418.35</u> | <u>2,938,460.06</u> | <u>8,749,917.98</u> | <u>21,075,796.39</u> |

STATISTICAL STATEMENT FOR YEAR ENDING JUNE 30, 1938

| | <u>PLAN I</u> | <u>PLAN II</u> | <u>PLAN III</u> | <u>ALL PLANS</u> |
|--------------------------------------------------------------|-------------------|-------------------|---------------------|---------------------|
| Number Employers Under Act June 30, 1938 | 50 | 957 | 3,152 | 4,159 |
| Number Fatal Accidents Year Ending June 30, 1938 | 40 | 4 | 46 | 90 |
| Number Permanent Total Accidents Year Ending June 30, 1938 | 4 | 6 | 6 | 16 |
| Number Permanent Partial Accidents Year Ending June 30, 1938 | 219 | 61 | 154 | 434 |
| Number Temporary Total Accidents Year Ending June 30, 1938 | 1,974 | 1,994 | 7,259 | 11,227 |
| Total Number Accidents | <u>2,237</u> | <u>2,065</u> | <u>7,465</u> | <u>11,767</u> |
| Number Accidents No Compensation Paid | 997 | 1,690 | 5,387 | 8,074 |
| Disbursed for Funeral Expense | 5,325.00 | 450.00 | 5,100.00 | 10,875.00 |
| Disbursed for Medical Expense | 8,963.10 | 47,644.28 | 191,319.60 | 247,926.98 |
| Disbursed for Hospital Expense | 2,332.70 | 10,109.20 | 721,194.42 | 84,561.32 |
| Disbursed for Fatal Accidents | 142,480.54 | 24,775.64 | 157,484.82 | 324,741.00 |
| Disbursed for Permanent Total Disability | 8,948.52 | 4,543.68 | 28,897.70 | 42,389.90 |
| Disbursed for Permanent Partial Disability | 235,104.56 | 31,345.28 | 327,848.95 | 594,298.79 |
| Disbursed for Temporary Total Disability | 276,186.22 | 158,424.24 | 360,145.35 | 794,755.81 |
| Disbursed for Temporary Partial Disability | ----- | ----- | 283.80 | 283.80 |
| Disbursed for Hearings, Proceedings and Medical Examinations | ----- | ----- | 16,361.52 | 16,361.52 |
| Total Compensation Paid | <u>679,340.64</u> | <u>277,292.32</u> | <u>1,159,561.16</u> | <u>2,116,194.12</u> |

PREMIUM INCOME FOR EACH FISCAL YEAR

1930 - 1938

| | |
|-------------------------|---------------|
| June 30, 1930 | \$ 465,102.56 |
| June 30, 1931 | 370,750.72 |
| June 30, 1932 | 328,498.80 |
| June 30, 1933 | 336,662.81 |
| June 30, 1934 | 512,292.02 |
| June 30, 1935 | 920,485.30 |
| June 30, 1936 | 1,005,779.17 |
| June 30, 1937 | 1,206,931.11 |
| June 30, 1938 | 1,258,643.67 |

COAL MINE INSPECTOR, EDWARD DAVIES
R E P O R T

FATAL ACCIDENTS:

The fatal accident rate is back to, what may be termed, normal compared with last year's high rate. There were two fatalities and our rate for the year is below that of the national average compiled by the U. S. Bureau of Mines. There is no let up in the emphasizing of the necessity of increased supervision on the part of the management, and a greater alertness and more Safety Mindedness on the part of the employees. Co-operation between management and employees is on the increase. Efforts in this direction on the part of the Republic Coal Company at its Klein mine are worthy of note:

For every ten consecutive days of mine operation in which there has been no reportable accident a drawing is conducted and prizes of twenty-five, ten, and five dollars, are awarded to the employees whose numbers are drawn. This prize awarding is for the sole purpose of encouraging alertness and Safety Mindedness on the part of employees and officials. The management is entitled to credit and is herewith commended for its pioneering along this line.

GENERAL DATA:

There is a small decrease in output compared with the fiscal year of 1936 and 1937. There is a noticeable increase in Value At the Mines. This increase is due to the regulations imposed by the Federal Bituminous Coal Commission in its attempt to give a measure of stability to the industry by eliminating cut-throat competition. The industry has been suffering for years from the competition of natural gas, oil, and electrical power. And it is reasonable to assume that the power development program of the Federal Government will add further tribulations to an already distressed industry.

The figures herewith submitted give the general data of the industry for the years mentioned:

| YEARS | MEN EMPLOYED (Average) | PRODUCTION (Tons) | VALUE |
|---------------------|---------------------------|----------------------|-----------------|
| 1901-1910 Inclusive | 2,777 | 18,897,541 | Not given. |
| 1911-1920 Inclusive | 3,950 | 34,821,324 | \$64,372,502.00 |
| 1921 | 4,300 | 3,392,031 | 9,365,230.00 |
| 1922 | 4,431 | 2,818,654 | 8,559,192.00 |
| 1923 | 4,097 | 3,140,837 | 9,903,625.00 |
| 1924 | 3,035 | 2,998,779 | 8,172,150.00 |
| 1925 | 2,496 | 2,252,899 | 6,652,009.00 |
| 1926 | 2,431 | 2,738,739 | 6,691,548.00 |
| 1927 | 2,250 | 2,865,203 | 6,735,545.00 |
| 1928 | 2,159 | 3,111,339 | 7,251,854.00 |
| 1929 | 2,060 | 3,319,660 | 7,453,699.00 |
| 1930 | 1,962 | 3,268,540 | 6,742,093.00 |
| 1931 | 1,757 | 2,706,468 | 5,380,787.00 |
| 1932 | 1,563 | 2,279,667 | 4,315,747.00 |

| YEARS | MEN EMPLOYED | PRODUCTION | VALUE |
|-------|--------------|------------|--------------|
| 1933 | 1,387 | 2,017,275 | 3,369,141.00 |
| 1934 | 1,678 | 2,299,795 | 3,343,242.00 |
| 1935 | 1,664 | 2,618,491 | 4,098,134.00 |
| 1936 | 1,591 | 2,955,571 | 4,443,137.00 |
| 1937 | 1,412 | 2,825,000 | 3,818,726.00 |
| 1938 | 1,443 | 2,746,118 | 4,186,649.00 |

Report for fiscal year ending June 30th, 1938.

| | |
|-------------------------------------------------------------------|----------------|
| Number of mines reporting | .75 |
| Tons of coal produced | 2,746,118 |
| Value at mine | \$4,186,649.00 |
| Number of men employed | 1,443 |
| Kegs of black powder used | 8,898 |
| Boxes of Pellet Powder | 8,814 |
| Boxes of dynamite | 7,759 |
| Boxes of Monobel | 44 |
| Number of fatal accidents | 2 |
| Tons of coal produced per fatal accident | 1,373,059 |
| Fatality rate per thousand men employed | 1.38 |
| Percentage of production produced by machine (estimated). | 95% |
| Percentage of production produced by hand (estimated) | 5% |
| Average number of days worked | 195 |

I am indebted to Mr. J. Burke Clements, Chairman of the Board, for his advice and assistance in the carrying out of the duties of this office, and my thanks are herewith tendered.

Respectfully submitted,

Edward Davies
State Coal Mine Inspector

QUARTZ MINE INSPECTOR'S REPORT

To The Members of the Industrial Accident Board

Gentlemen:

The following is a brief report or summary for the fiscal year just ended, of the undersigned, as metal mines inspector.

The past year has had extremes, both high and low in the base metal prices. In the first half, prices rose above a healthy figure, while today prices quoted are so low it makes it unattractive for mining investments, and has caused almost complete paralysis in the base metal production. Conditions which have compelled the smelters to cease buying ore are due to have a serious effect in further suspension of mining operations. Because Montana's prosperity is coupled so closely with mining, it is to be hoped that some day will see an even production-consumption basis in effect so that overproduction or scarcity will not be the rule. Better business throughout the country seems to be the outlook for the near future, which, if true, will make a vast difference in the amount of the mine payrolls and likewise in other industries affected thereby.

Gold mining in the state has been steadily on the increase in both placer and quartz and the increase in the production of gold has been substantial. This is the one bright spot in the state's mining activity.

Your inspector's duties are chiefly concerned with the safety conditions in the mines, and in this connection will say the principal mining districts were visited and as many of the mines as possible inspected. My report following these inspections is that taken as a whole, the mines of the state are operated with due regard to safety which is evidenced by the accident rate. This rate compares favorably with that of other states where metal mining is an important industry.

Prompt investigations were made of all complaints received and betterments ordered when necessary. Friendly co-operation on the part of mine management in the matter of safety measures has been the invariable rule.

Most notable improvement along safety lines is the use of electric lamps at many of the smaller properties. The advantages in the use of this type of lamp are many other than eliminating fire hazards. Especially so is the fact that the use of this lamp requires the use of a safety net also.

Your inspector believes the dust hazard is the paramount subject to be considered from a safety standpoint. There have been some cases of flagrant violation of any regard of the employee's health from this cause, however, your inspector is pleased to report that in these cases the fault has been corrected to a large extent. These cases occurred in mills. The last legislature authorized the study by a committee of conditions with regard to silicosis. This committee, your inspector believes, will find conditions such as to warrant the enactment of a law similar to that in effect in other states and Canada covering this subject.

During the period covered by the report 26 fatalities occurred in the mines, and 5 in mills and smelters.

The following is a list of causes:

| | |
|----------------------------------|-----|
| Fall of ground | .9 |
| Haulage - Cars, motors | .4 |
| Haulage - Surface | .2 |
| Blasted | .3 |
| Falling in mainway & shaft . . . | .3 |
| Infection following injury . . . | .2 |
| Pipe fell while being placed . . | .1 |
| Fell striking head on wall . . . | .1 |
| Failure of timber | .1 |
| Freeing chute | .1 |
| Drowning | .1 |
| Struck by cage | .1 |
| Acid burns | .1 |
| Fell into power saw | .1 |
| Total | .31 |

Respectfully submitted,

Ben Henry
Metal Mines Inspector

QUARTZ MINE INSPECTOR'S REPORT

Industrial Accident Board
Helena, Montana

Gentlemen:

In accordance with the provisions of the State Mining Laws, I submit my report for the year ending June 30th, 1938,

I visited and inspected the operating mines in the district to which I am assigned, comprising the counties of Silver Bow, Deer Lodge, Powell and Beaverhead. In all cases I found the managements and men willing to co-operate for the benefit and safety of all concerned when recommendations for safety were suggested.

First Aid supplies are kept on hand at all of the operating mines.

During the year copper and zinc output has decreased considerably, but the gold mines are very active, as well as one phosphate mine which is working to capacity.

In nearly all the mines wet-drilling is adhered to, which tends to lessen the dust hazard to a great extent.

I am being given whole hearted co-operation by operators and miners in an effort to eliminate as nearly as possible the numerous causes of accidents. In this matter a great deal of vigilance is necessary and I have always stressed the basic rules of Safety First in all my trips of inspection.

I herewith submit a list of fatal accidents for period ending June 30th, 1938, with a summary of their causes:

| | |
|----------------------------------------------|----|
| Falls of ground | 10 |
| Handling tools and machinery | 1 |
| Blasting | 3 |
| Falling through floors | 3 |
| Caught between mine cars | 1 |
| Freeing chute | 1 |
| Caught between motor & bulkhead | 1 |
| Ran motor through ventilation door | 1 |
| Struck by sinking cage | 1 |
| Falling in shaft | 1 |
| Total | 23 |

In conclusion I wish to thank the Chairman and Members of the Board for their consideration and courtesy during the year, also N. McRae, Clerk of the Bureau of Safety.

Respectfully submitted,

Dennis Murphy
State Quartz Mine Inspector

SAFETY INSPECTION DEPARTMENT

- - -

The work of inspecting boilers, manufacturing plants, quartz mines, and coal mines, has been carried on for the fiscal year by the following persons:

Boiler and Plant Inspectors: L. A. Diamond
Pat Whalen
R. A. Prater

Quartz Mine Inspectors: Ben Henry
Dennis Murphy

Coal Mine Inspector: Edward Davies

The following table shows the result of the Inspectors' work; and the fees collected for inspections:

WORK OF SAFETY BUREAU FOR YEAR 1937-1938 (Fiscal Year July 1, 1937 to June 30, 1938)

| Inspectors | Months Worked | Licenses Issued | Safety Inspections | Boilers Inspected | Cash Collected |
|---------------|------------------|--------------------|-----------------------|----------------------|-------------------|
| L. A. Diamond | 12 | 303 | 298 | 1160 | \$ 9,693.03 |
| R. A. Prater | 12 | 199 | 207 | 588 | 5,000.69 |
| Pat Whalen | 12 | 339 | 276 | 857 | 8,264.04 |
| Ed Davies | 12 | 0 | 123 | 0 | 705.30 |
| Ben Henry | 12 | 0 | 101 | 0 | 561.12 |
| Dennis Murphy | 12 | 0 | 27 | 0 | 962.62 |
| Office | 12 | 2,418 | 0 | 0 | 2,801.50 |
| TOTALS | | 3,309 | 1,037 | 2,605 | 27,938.30 |

